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STATE OF MONTANA

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TWENTY-EIGHTH ANNUAL REPORT

of the

INDUSTRIAL ACCIDENT BOARD

For The Twelve Months Ending

June 30, 1943

-SAFETY FIRST SEAL-

WORKMEN'S COMPENSATION ACT

In Effect July 1, 1915
as to Compensation
Provisions

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MEMBERS OF THE BOARD

J. BURKE CLEMENTS, Chairman
JOHN J. HOLMES, State Auditor

ALBERT H. KRUSE, Commissioner
of Agriculture and Labor

. . . .

ADMINISTERING:

WORKMEN'S COMPENSATION ACT
SAFETY INSPECTION LAWS
STATIONARY ENGINEERS' LICENSE LAWS
QUARTZ MINE INSPECTION LAWS
COAL MINE INSPECTION LAWS
BOILER INSPECTION LAWS

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L E T T E R   O F   T R A N S M I T T A L

October 1st, 1943

To His Excellency Sam C. Ford
Governor of the State of Montana
Helena, Montana

Dear Governor Ford;

Pursuant to the mandate of the compensation laws of the State of Montana, we have the honor to transmit herewith our Twenty-Eighth Annual Report, covering the administration of the Workmen's Compensation Act by the Industrial Accident Board for the twelve months period ending June 30th, 1943.

On February 27th, 1943 the Bear Creek, or Smith Mine, disaster occurred, which took the lives of 75 miners. Seventy-four of these men were killed in the disaster and one died as the result of rescue efforts. This was one of the greatest mine disasters in the entire United States in all history and the only coal mine disaster in Montana history. The Smith Mine is operated by the Montana Coal and Iron Company and this employer carried its workmen's compensation insurance with the Industrial Accident Fund (state fund). Consequently this happening will cost the state fund approximately $440,000.00 in the payment of compensation and burial expenses.

We are pleased to be able to report to you that the Industrial Accident Fund's reserve is in an excellent condition and is amply able to pay all obligations brought about by the disaster and have remaining a sufficient reserve to care for any and all contingencies. Of the total extra financial burden imposed on the Industrial Accident Fund by reason of the Bear Creek happening we have, as of June 30th, 1943, already paid the burial costs of $18,500.00 and compensation to widows in amount of $30,249.69, thus reducing the outstanding obligations on account of this one accident to an approximate $391,250.31.

The Industrial Accident Reserve Fund in cash and invested funds on June 30th, 1943 equaled $1,379,800.50, which is $550,000.00 greater than it was on June 30th, 1942. Of course we have the additional liability of the Bear Creek disaster but our general obligations in permanent total disabilities have been reduced an approximate $50,000.00 during the past year.

The Board estimates all liabilities of the Industrial Accident Fund to be $1,141,250.31 and to meet this we have a reserve of $1,379,800.50, thus leaving a balance of $238,550.19. We therefore report that the Industrial Accident Fund could liquidate all of its liabilities as of June 30th, 1943 and have a net balance in cash of $238,550.19. We consider the Fund therefore to be in an exceptionally healthy condition. This is due in part however to the continued high premium income and to the reduction in the number of accidents for the year as indicated in the statistics submitted herewith.

Respectfully submitted,
INDUSTRIAL ACCIDENT BOARD

J. Burke Clements
Chairman

Albert H. Kruse
Commissioner

Commissioner

INDUSTRIAL ACCIDENT BOARD

FINANCIAL STATEMENT

June 30, 1943

ASSETS:		
Cash Funds		
Industrial Accident Fund	153,506.33	
Less Overdraft Industrial Reserve Fund	832.80	
	152,573.53	
Less Warrants Outstanding	30,241.38	
Total Cash in Treasury		122,332.15
Accident Fund Investments	190,193.18	
Reserve Fund Investments	1,064,173.38	
Registered Warrants	3,101.79	
Total Investments		1,257,468.35
Total Cash and Invested Funds		1,379,800.50
LIABILITIES:		
Premium Income	15,613,390.70	
Recoveries from Judgments	45,942.11	
	15,659,332.81	
Less Compensation Paid	15,003,918.58	
Net Premium Income		655,414.23
Initial Deposits	134,284.19	
Special Deposits	7,135.84	
Interest Earned	582,966.24	
Total Income		724,386.27
		1,379,800.50
U. S. Bonds on Deposit to Guarantee Insurance Company Obligations		655,000.00

STATISTICAL STATEMENT FOR YEAR ENDING JUNE 30, 1943

	PLAN I	PLAN II	PLAN III	ALL PLANS
Number Employers Under Act June 30, 1943	46	1,138	3,667	4,851
Number Fatal Accidents Year Ending June 30, 1943	37	6	109	152
Number Permanent Total Accidents Year Ending June 30, 1943	29	3	4	36
Number Permanent Partial Accidents Year Ending June 30, 1943	117	18	216	351
Number Temporary Total Accidents Year Ending June 30, 1943	1,938	3,471	6,702	12,111
Total Number Accidents	2,121	3,498	7,031	12,650
Number Accidents No Compensation Paid	585	2,978	5,394	8,957
Disbursed for Funeral Expenses	2,900.00	758.08	23,925.00	27,583.08
Disbursed for Medical Expenses	3,846.00	55,467.75	159,728.30	219,042.05
Disbursed for Hospital Expenses	2,378.15	14,078.51	66,791.83	83,248.49
Disbursed for Fatal Accidents	115,094.58	16,273.52	152,419.68	283,787.78
Disbursed for Permanent Total Disability	43,776.08	4,780.42	32,190.68	80,747.18
Disbursed for Permanent Partial Disability	117,821.10	13,862.41	459,172.51	590,856.02
Disbursed for Temporary Total Disability	346,779.71	100,520.06	257,241.69	704,541.46
Disbursed for Temporary Partial Disability			3,366.34	3,366.34
Disbursed for Hearings, Proceedings, and Medical Examinations			15,679.39	15,679.39
Total Compensation Paid	632,595.62	205,740.75	1,170,515.42	2,008,851.79

STATISTICAL STATEMENT FOR TWENTY-EIGHTH YEAR PERIOD ENDING JUNE 30, 1943

	PLAN I	PLAN II	PLAN III	ALL PLANS
Number Fatal Accidents	1,474	258	858	2,590
Number Permanent Total Accidents	105	27	96	228
Number Permanent Partial Accidents	2,026	628	2,643	5,297
Number Temporary Total Accidents	66,556	51,742	99,508	217,806
Total Number Accidents Reported	70,161	52,655	103,105	225,921
Number Accidents No Compensation Paid	40,221	41,739	72,528	154,488
Disbursed for Funeral Expenses	143,595.42	20,561.79	114,557.50	278,714.71
Disbursed for Medical Expenses	112,810.76	929,770.97	2,331,539.90	3,374,121.63
Disbursed for Hospital Expenses	42,980.81	203,790.64	823,538.86	1,070,310.31
Disbursed for Fatal Accidents	3,605,402.36	628,530.95	2,342,722.79	6,576,656.10
Disbursed for Permanent Total Disability	294,553.70	91,999.06	480,112.22	866,664.98
Disbursed for Permanent Partial Disability	1,790,403.85	341,952.79	4,573,109.78	6,705,466.42
Disbursed for Temporary Total Disability	6,534,374.43	1,639,947.12	4,155,124.55	12,329,446.10
Disbursed for Temporary Partial Disability			40,004.98	40,004.98
Disbursed for Hearings, Proceedings, and Medical Examinations			141,803.96	141,803.96
Total Compensation Paid	12,524,121.33	3,856,553.32	15,002,514.54	31,383,189.19

PREMIUM INCOME FOR EACH FISCAL YEAR

1930-1943

June 30, 1930	465,102.56
June 30, 1931	370,750.72
June 30, 1932	328,498.80
June 30, 1933	336,662.81
June 30, 1934	512,292.02
June 30, 1935	920,485.30
June 30, 1936	1,005,779.17
June 30, 1937	1,206,931.11
June 30, 1938	1,258,643.67
June 30, 1939	1,082,587.32
June 30, 1940	1,241,569.01
June 30, 1941	1,265,072.17
June 30, 1942	1,410,694.61
June 30, 1943	1,499,757.23

COAL MINE INSPECTOR'S REPORT

In compliance with the provisions of the State Mining Laws, I herewith present my report as State Coal Mine Inspector for the fiscal year ending June 30, 1943:

I regret to report that during the year the most terrible disaster occurred in connection with coal mining, in the history of the state.

On February 27, 1943, an explosion at the Smith Mine of the Montana Coal and Iron Co., Washoe, Carbon County, brought death to 74 employees in the #3 vein.

I shall not go into detail with regard to the Smith Mine disaster in this report but specifically call your attention to my detailed report on this matter already submitted to the Board.

DATA OF THE INDUSTRY

As in previous years most of the smaller mines did not report their tonnage, number of men employed, etc., and for that reason they have been estimated. Due to the national emergency, the industry has enjoyed a prosperous year. The demand for coal continues to be greater than can be supplied, even though the mines work six days each week. There is a shortage of men in the industry at the present time. The increase in tonnage produced is in excess of 800,000 tons The increased tonnage at Colstrip, an open cut mine, amounted to more than 600,000 tons. More than 2,000,000 tons of coal were produced at this mine which supplies the Northern Pacific Railroad with fuel.

The fatal accident rate, excluding the Smith Mine disaster, was higher than usual. Seven lives were lost in addition to the mine disaster. Most of them were due to falls of rock at the working faces. Some of them appeared to have been unavoidable due to unusual and peculiar circumstances; others could have been avoided if a little more care had been taken.

Total number of tons of coal produced	4,279,579
Value of the coal at the mines	$7,121,614.00
Number of men employed	1,493
Average number of days worked	264
Number of lives lost in Smith Mine explosion	74
Died as a result of exposure, later in Smith Mine	1
Fatal accidents in all other mines	6
Total number of lives lost	81
Amount of dynamite used	1,238,329 lbs.
Amount of Black Powder used	1,998,726 lbs.
Estimated tonnage loaded by mobile machines	96%

Respectfully submitted,

Edward Davies
State Coal Mine Inspector

QUARTZ MINE INSPECTOR'S REPORT

I hereby submit my report as State Quartz Mine Inspector for the fiscal year ending June 30, 1943:

The shortage of labor has been acute, most properties operating under a handicap which is discouraging. Despite the handicap imposed by this labor shortage, impediments due to priorities, regulations, etc., the mines of the state are operating as near capacity as possible. Gold mining for the precious metal itself has not been permitted but a substantial amount of the yellow metal has been added to the nation's wealth, as a by-product from ores which grade as flux on account of the silica content, and gold has been a by-product in the production of sapphires and tungsten. These two products rate high as to strategic material.

Financial assistance by the various departments of the Government has been given to a number of operators in the endeavor to increase the production of the much needed war metals. The mineral wealth of Montana is contributing a vital portion of essential materials for the war effort, such as manganese, chrome, lead, zinc, copper, phosphate, talc, tungsten, sapphires, graphite, cement, gypsum products, calcite and others. A deposit of calcite near Livingston (Iceland Spar) is of great value to the war effort as it is used for gunsights. Known deposits of this crystaline calcium are few throughout the world. Iceland was probably coveted by the Axis for this material as much as for any other reason.

Your inspector was present during the investigation of the Smith Mine disaster at Red Lodge. This investigation has been fully covered in a separate report by Mr. Edward Davies, State Coal Mine Inspector.

The mines in the district, assigned for inspection, are being operated with due respect to safety though handicapped by unskilled labor, priority restrictions and other drawbacks. Safety recommendations have been made for storing powder, ventilation, grizzlies, manways, timbering, safe hoisting equipment, fire hazards, etc.

Two fatal accidents occurred under ground during the period covered by this report. Both were due to fall of ground. One fatal accident occurred at a smelter due to carelessness and faulty equipment.

Respectfully submitted,

Ben Henry
State Quartz Mine Inspector

QUARTZ MINE INSPECTOR'S REPORT

The following is a report of the safety conditions in the metal mines of the district in this state to which I am assigned, for the year ending June 30, 1943:

I inspected all the mines and mills and found that safety conditions in almost every place are given due consideration in places needing improvement from a safety-first standpoint. I find all concerned eager to adopt measures that are likely to eliminate accidents.

The dust hazard is still with us to some extent, especially in mines not using wet drilling.

The ventilation problem is the most difficult to cope with today. Mines of extensive workings without upraises or fans to ventilate them are sure to have poor air. Such mines are scarce in the district, and measures are being taken to correct conditions.

Encouraging is the fact that the Butte Miners' Union is taking an interest in recent months to prevent accidents. Their representative attends the coroner's inquests, and from it may develop an interest by the miners that will do much to cut down the accident rate.

I hereby submit a list of fatal accidents for the year ending June 30, 1943:

MINES	
Fall of ground	6
Caught by motor	3
Caught by cars	4
Fall in shaft	1
Fall in manway	1
Surface	1
SMELTERS	
Unloading poles	1
Electrocuted	1
Unloading car	1
Total	19

Respectfully submitted,

Dennis Murphy
State Quartz Mine Inspector

SAFETY INSPECTION DEPARTMENT

The work of making safety inspections of places of employment in hazardous occupations, including metal mines, coal mines and boilers, has been carried on during the fiscal year by the following persons:

Boiler Inspectors:	C. A. Johnson Pat Whalen
Safety Inspector:	Jess Rawls
Quartz Mine Inspectors:	Ben Henry Dennis Murphy
Coal Mine Inspector:	Edward Davies

The following table shows the result of the inspectors' work and the fees collected for inspections:

WORK OF SAFETY BUREAU FOR YEAR 1942-1943
(Fiscal Year July 1, 1942 to June 30, 1943)

Inspectors:	Months Worked	Licenses Issued	Boilers Inspected	Safety Inspections	Cash Collected
C. A. Johnson	12	330	1,141	0	8,078.50
Pat Whalen	12	354	955	0	6,765.50
Edward Davies	12	0	0	82	490.95
Ben Henry	12	0	0	40	228.60
Dennis Murphy	12	0	0	15	75.00
Jess Rawls	12	0	0	1,497	7,932.81
Office	12	2,202	0	0	2,583.50
TOTALS		2,886	2,096	1,634	26,154.86